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- 1 AUG 1955

MEMORANDUM FOR: Executive Officer, Office of Personnel


SUBJECT:

Annual Report *INSURANCE AND CASUALTY*
DIVISION

1. Transmitted herewith are Annual Reports prepared by the Insurance Branch and the Casualty Affairs Branch of this Division pursuant to the Director of Personnel's directive of 11 July 1955.

2. In addition to the attached reports, it is significant, from an over-all divisional standpoint, to note only the establishment of the former Insurance and Claims Branch as a separate divisional unit during the reporting period. This change has raised two dissimilar yet functionally interrelated spheres of activity to their proper level of importance and provided the staffing required to effectively carry them out.

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Chief, Insurance and Casualty Division

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Annual Report

Insurance Branch

Insurance and Casualty Division

Office of Personnel

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Section 1

Major Accomplishments and Significant Developments during the Fiscal Year 1 July 1954-30 June 1955

1. During the reporting period, four new plans of insurance were made available to the employees of this Agency, namely: United Benefit Life (UBLIC), Air Flight, Dread Diseases, and Income Replacement. In addition to this the Mutual Benefit Health and Accident Association issued a new contract with increased benefits. The five plans mentioned above are supplementary to the War Agencies Employees' Protective Association (WAEPA) life insurance and Group Hospitalization, Inc. (GHI) policies mentioned in previous reports.

2. Effective 21 May 1955, WAEPA policy holders received additional benefits with no increase in premiums. The permanent basic coverage was formerly \$10,000.00 and is now \$15,000.00. Also, the accidental death benefits have been raised from \$15,000.00 to \$25,000.00. To date, WAEPA has not forwarded to us the literature for distribution to our policy holders.

3. The records of the Insurance Branch have been photographed for the "Vital Documents" file.

4. A "sterile" telephone has been installed in the Insurance Branch. The Office of Security has approved the use of an "Identification Card" (ID) to be issued to overt employees of the Agency who are subscribers to the Mutual Benefit Health and Accident Association. This card will be used in lieu of a cash deposit (Exception: Maternity) upon admission to the hospital. Cards are now being printed by our underwriter and the telephone number will be listed thereon for use when it is necessary for the hospitals to call GEHA regarding the patient. Upon receipt of the ID cards from our underwriter, this Branch will type the names on the cards and issue them to our subscribers.

5. Comparative statistics for this reporting period and the previous period are contained in the attached statistical data sheet.

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Summary of Insurance Activity with Comparison

1 July 1954 - 30 June 1955

<u>Subject</u>	<u>Previous Report</u>	<u>Current Report</u>
<u>WAEPA</u>		
New Applications		
Reinstatements		
Cancellations		
Total Policies		
Total Face Value Coverage		
Claims		
<u>UBLIC</u>		
New Applications		
Cancellations		
Total Policies		
Total Face Value Coverage		
Claims		
<u>GHI</u>		
New Applications		
Transferred Out to GHI		
Total Policies		
Claims (Class A)		
Claims (Class B)		
No. of Claims		
Total Paid		
Average per Claim		

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<u>Subject</u>	<u>Previous Report</u>	<u>Current Report</u>	
<u>Mutual</u>	(Old Plan)		
New Applications			25X9A2
Cancellations			
Total Policies			
Claims			
Total Paid			
Average Amt. Per Claim			
<u>Air Flight</u>			
New Applications	N/A(6)		25X9A2
<u>Dread Diseases</u>			
New Applications	N/A(6)		
<u>Income Replacement</u>			
New Applications	N/A(6)		

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- (1) Less than previous report due UBLIC Life Plan.
 - (2) Approximately two-thirds transferred to UBLIC Life Plan.
 - (3) Based \$12,000.00 basic coverage.
 - (4) Based \$15,000.00 basic coverage.
 - (5) Three Deaths (\$10,000.00; \$12,000.00; \$15,000.00).
 - (6) New Program. No previous statistics.
 - (7) Two Deaths. (\$2,000.00; \$15,000.00).
 - (8) Approximately two-thirds transferred Mutual Hospitalization.
 - (9) Claims paid by GHI directly to hospital and/or doctor.
 - (10) Claims settled in this Branch.
 - (11) Additional [redacted] policies transferred from old to new Mutual (new policy numbers were not issued).

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Section 2

Objectives for Current Year and Status of Current Program
for the Period 1 July 1955 - 30 June 1956

1. A study was made to determine the feasibility of utilization of accounting machines for more streamlined accounting procedures and the National Cash Register Company is now constructing a machine for this purpose which will be delivered approximately 1 October 1955.
2. As soon as possible, representatives of the National Cash Register Company, Management Staff, and this office will meet with a representative of the Diabold Company to determine the type of safe which will be needed for filing the "record of payment" cards to be used following the installation of the National Cash Register Machine.
3. If, during the above fiscal year, Congress enacts the bill for "Federal Employees Group Hospitalization", it is anticipated that deductions can be made from the salaries of our subscribers for payment of their hospitalization and life insurance premiums.
4. Employees of the Agency who are subscribers to our Mutual Benefit Health and Accident Association (MBHAA) hospitalization policy, have thirty-one (31) days after termination date to contact the underwriter and subscribe to one of the hospitalization contracts available in their office without a break in coverage. This has been unsatisfactory as the benefits offered in their contracts are considerably less than the benefits offered in the GEHA contract (underwritten by Mutual). This Branch has discussed the problem with MBHAA and they are now writing a "preferred contract" for the employees who terminate employment with the Agency. This contract will include approximately the same benefits as the GEHA contract. The premium payment will be at least 20% ~~or~~ more than the premium paid to GEHA.
5. This Branch has discussed with MBHAA the possibility of waiving the nine months waiting period for maternity benefits. The underwriter has agreed, provided we exclude from our present contract the following clause:

"Maternity benefits are extended for a period of 9 months subsequent to the termination of employment of the certificate-holder, provided the female member or the dependents of a male member have been insured for the previous nine months."

At such time as Mutual has available for our terminated employees the "preferred contract", this Branch feels that the waiver of a nine months waiting period would be more advantageous to the members of GEHA

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than the clause cited above. The members of GEHA, upon termination of employment, could transfer to the "preferred contract" and the waiting period served as members of GEHA would be transferred to the new contract with Mutual.

Section 3

Program Outlook for Budget Year
1 July 1956 - 30 June 1957

1. Enactment of the Federal Employees Group Hospitalization Insurance bill will probably change some of the operations of the Insurance Branch. This bill was presented to Congress at the same time as the Federal Employees Group Life Insurance (FEGLI), and the FEGLI program has been in effect since August 1954.
2. At the present time the underwriter (or underwriters) for the federal Hospitalization Program is not definitely known; however, our underwriters are strong contenders.
3. If, and when, the hospitalization legislation is enacted, this Branch is hopeful that premium payments on GEHA policies can be deducted from the salaries of Vouchered Funds employees.

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CASUALTY AFFAIRS BRANCH

Annual Report Summary

Major Accomplishments and Significant Developments
1 July 1954 - 30 June 1955

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1. The establishment of the Casualty Affairs Branch as an organizational unit within the Insurance and Casualty Division constituted the most significant development of the preceeding fiscal year. The Casualty Affairs Branch performs all of the claims functions previously located in the Insurance and Claims Branch, Employee Services Division. In addition, it has been given responsibility for the handling of all casualty cases arising among Agency personnel. This includes performing the functions of the Office of Personnel as described in Agency Regulations [REDACTED] Employee Emergencies, i.e., notification of next-of-kin, notification of appropriate Agency components, preparation of official Agency correspondence and overall responsibility for the administrative settlement of affairs relating to the illness, injury or death of Agency employees.

2. With respect to the compensation and medical claims activity of the Branch, it is to be noted that there has been a sizable increase in the number of compensation cases processed with the Bureau of Employees' Compensation during this reporting period. There have been half again as many cases processed during fiscal year 1955 as were processed during fiscal year 1954. It is also worthy of note that the largest number of man-hours of work are devoted to these BEC cases for they require considerably more development in order to establish eligibility for this benefit than do our 5(a)(5)(C) cases. During the reporting period, a Claims Group was established as an advisory Group for the Director of Personnel. In that respect the wisdom in the establishment of this Group has been borne out by its productivity.

3. During the reporting period, the overall processing of applications for Civil Service Retirement benefits remained somewhat stable although there was some fluctuation in the types of applications handled. However during the reporting period, the Casualty Affairs Branch assumed the function, previously exercised by the Counseling Branch, Employee Services Division, of conducting retirement interviews with interested Agency personnel. Quite obviously this activity is rather time consuming in the conduct of the interview itself and in the analyzing process of developing the individual's retirement history as a preliminary to such an interview.

4. The Federal Employees' Group Life Insurance program was inaugurated in this Agency, as in other government employments and agencies, on 29 August 1954. Considerable effort was expended in the initial preparation and actual establishment of this program, in providing immediate coverage and resolving various security problems.

5. Prior to the establishment of the Casualty Affairs Branch, this unit assumed responsibility for the processing of claims for unpaid compensation submitted by the beneficiaries of deceased Agency personnel, as part of the Branch's claims responsibility. This added responsibility fits in quite normally with the general pattern of the Casualty Affairs Branch functions.

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Objectives for Current Year and Status of Current Program

1. The Branch plans during the current year to attain the fluidity and efficiency found in casualty branches of the various military components in order that cases involving the injury, illness or death of Agency employees can be handled expeditiously from the time of the occurrence whether stateside or overseas until all aspects of the case have been completed. To this end it is anticipated that during the remainder of the current year considerable emphasis will be placed on conducting a complete review of our present procedures for the purpose of discovering areas of weakness and sources of improvement. It is believed that with the acquisition of additional personnel in this unit, much more attention can be given to detail than was possible in the past. An example of this type of activity is that described in detail in the main body of this report with respect to reviewing the service history of OSS and CIA employees for retirement purposes.

2. During the current period, attention will also be given to working with the Plans Staff in assuring prompt publication of Agency Regulations [REDACTED]. In this connection, it is deemed advisable that as soon as practicable following the publication of these regulations a representative of the Insurance and Casualty Division travel to all major overseas installations as well as [REDACTED] Stations to advise field personnel in detail concerning the functions of the Division and what will be expected in the way of reports, etc. from such field personnel.

3. As part of the Branch's internal procedures study, a review will be made of record requirements within the Branch and a complete review of filing systems as they currently exist to detect areas of improvement.

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Program Outlook for Budget Year 1957

1. Except for the compensation and medical claims activity, it is expected that the various activities of the Casualty Affairs Branch will have become fairly stabilized by 1 July 1956, unless unforeseen catastrophies should occur. In this connection, and of particular interest in relation to budgetary matters, it should be realized that should such an unforeseen catastrophe of serious proportion occur each and every function of this Branch would increase in equal proportion. Most of the Branch's functions have their beginnings in the misfortunes of Agency personnel relating to serious illness, injury or death. It should be understood therefore, that should such a situation occur it would be almost inevitable that additional personnel, space, and equipment would be required for so long as the situation exists.

25X1A 2. As noted above, an exception was made in the case of the compensation and medical claims activities. The publication of Agency Regulations [REDACTED] relating to claims arising out of illness, injury or death will bring about a very significant increase in the number of claims processed by this Branch. There will also be some increased activity resulting from the publication of Agency Regulations [REDACTED] Employee Emergencies. However, it is believed that this increase in activity will not even approximate that relating to the claims functions of the Branch

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Annual Report
Casualty Affairs Branch
Insurance and Casualty Division
Office of Personnel

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Section I

Major Accomplishments and Significant Developments 1 July 1954 - 30 June 1955

Casualty Program

1. With the establishment of the Casualty Affairs Branch, the Agency has acquired an instrument for the consistent and effective handling of casualty cases. As part of the Agency's casualty program, emergency cases are now expeditiously handled and appropriate action immediately taken. The effect on employee morale, with knowledge that the Agency is providing assistance in these serious personal situations, is immeasurable.

2. As part of the Branch's consideration of casualty cases, all claim implications of illnesses, injuries and deaths are fully investigated and discussed with the employee concerned or his next-of-kin. Frequent contact and visits are made with these individuals. In addition, uniform handling of evacuation cases is now effected within the Office of Personnel.

3. Statistics concerning casualty cases will generally be reflected in the statistics included in the specific subjects itemized below. In future progress reports, however, the Branch plans to supply detailed information on the incidence and occurrence of cases of this type.

Compensation and Medical Claims

1. Attached is a statistical summary of compensation and medical claims processed by the Casualty Affairs Branch during the period 1 July 1954 to 30 June 1955. This report is comparable to the summary prepared for previous progress reports and is designed to reveal the extent of this claims activity, the nature of claims processed, the ultimate method by which these claims were processed, and the final determination made.

2. As shown in the attached summary, four hundred and eighteen claims were handled by the Branch during this reporting period, including forty-eight pending cases carried from the previous fiscal year report. For the purposes of this summary, the filing of Form CA-1, Employees' Notice of Injury or Occupational Disease, or an appropriate memorandum constitutes a claim.

3. One hundred fifty-five of the total claims received were pressed by claimants for the reimbursement of medical expenses or payment of compensation for time lost from work, or both. Of those, one hundred six claims were processed with the Bureau of Employees' Compensation on a classified or unclassified basis as the situation

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warranted, and forty-nine claims were processed internally. Forty-three internal cases were processed under the provisions of Section 5(a)(5)(C) of Public Law 110 and the remaining six as BEC type cases.

4. Excluding the forty-eight pending cases which were carried from the previous fiscal year report, the following comparison may be made between the present fiscal report and the fiscal years 1953 and 1954:

	FY-1955 (Excluding prior pending cases)	FY-1954 (Excluding prior pending cases)	FY-1953
BEC	75	51	40
Internal			
5(a)(5)(C)	27	50	34
BEC type	5	4	3

5. As can be noted above, the number of cases processed internally has decreased while the number of cases sent to BEC has significantly increased. In our previous progress reports, a forecast was made that the number of cases processed under Section 5(a)(5)(C) of P.L. 110 would probably double and possibly triple with the anticipated publication of Agency Regulation [REDACTED]. This Regulation has not as yet been published, yet the 5(a)(5)(C) activity remains fairly high. The Branch is still of the opinion that the publication of R [REDACTED] will result in a spectacular increase in the 5(a)(5)(C) activity.

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6. In addition, we wish to note that many of the cases reported above as sent to BEC were originally submitted to the Branch for processing under the 5(a)(5)(C) program. As part of the Branch's administration of these programs, claimants are fully advised of the benefits available to them under either program and often as a result of this counsel, the method of processing a claim may be changed in order to assure that the employee obtains the maximum benefit available. Even with the publication of [REDACTED] the Branch will ensure that employees avail themselves of the broader coverage of the Federal Employees' Compensation Act if this is in their best interests.

7. Of the forty-nine cases which were categorized as pending on the previous fiscal report, twenty-eight have been approved, three have been rejected, two were withdrawn, three are considered inactive, twelve are still pending, and one was included in error.

8. During the reporting period, the Branch was successful in its efforts to secure copies of all cable traffic involving the injury, illness, or death of Agency employees. In view of the absence of a regulation on the 5(a)(5)(C) program, it was considered necessary to

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obtain these cables so that by our review of the cases reported, a means was provided of protecting the interests of overseas employees with respect to statutory benefits. Many BEC cases, which would not otherwise have come to the Branch's attention, were thus picked up and developed. It is noted, however, that while a review of cable traffic results in the expenditure of many man-hours, this activity will not always be reflected in statistics of the Branch's claim activity since many of these cases do not result in actual claims. The Branch will continue its review of cable traffic at least until such time as the subject regulation is published.

9. During the reporting period, a Claims Group was established on an experimental basis. The Group is composed of representatives of the Security Office, Medical Office, and the Office of the General Counsel, with the Chief, Casualty Affairs Branch serving as chairman. At the Group's meetings, the various claims are fully discussed and a recommendation prepared for the Director of Personnel. These meetings have served as an effective sounding-board for the airing of differences among the various Agency components concerned on the compensation and medical claims program and the resolution of the various aspects of the claims which are discussed. An equally important result has been the more expeditious Agency processing of these claims.

10. During the reporting period, the Branch Chief accompanied the Director of Personnel to a meeting with the Deputy Director (Support) to discuss a proposal that the 5(a)(5)(C) program be decentralized to the extent that Station Chiefs have the authority to approve 5(a)(5)(C) claims [REDACTED] subject to the Branch's review and audit. The Branch Chief strongly recommended to the Deputy Director (Support) that decentralization of the program not be effected, for many reasons. The Deputy Director (Support) decided, however, that the program should be decentralized and that an appropriate revision of Regulation [REDACTED] [REDACTED] made. The extent to which this decision will affect the activity of the Branch is discussed below in other Sections.

11. The acquisition of additional technical staff by the Branch is also considered a significant development since it will permit maximum effectiveness in the discharge of Branch responsibility in the compensation and medical claims activity. The extent to which the Branch will thus be affected is discussed below.

Retirement

1. During the reporting period, the Branch conducted 123 interviews with employees for the purpose of discussing the employees' general retirement situation. Ultimately, 94 Applications for Service Credit, 14 Applications for Retirement, 41 Applications for Refund of Retirement Deductions, and 17 Applications for Death Benefits were processed.

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2. In connection with its responsibilities in the retirement field, the Casualty Affairs Branch has become increasingly involved in the processing and handling of applications for Direct Refunds of Retirement Withholdings, particularly in connection with the handling of disability and death cases of covert personnel. During the period covered by this report, the Branch established with the Office of the General Counsel and the [REDACTED] of the Finance Division satisfactory procedures for the processing of applications for the direct refund of retirement withholdings.

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Federal Employees' Group Life Insurance

1. During the reporting period the Branch prepared 360 Standard Forms 56 Agency Certification of Insurance Status. In addition, 13 death claims were submitted to the office of Federal Employees' Group Life Insurance in New York.

2. The FEGLI program was inaugurated on 29 August 1954. Despite confusion which resulted from the expeditious manner in which the program had to be installed, the Branch was able to institute satisfactory procedures for the implementation of the program. In addition, agreements were reached with the Chief, Retirement Division, Civil Service Commission and the Office of Federal Employees' Group Life Insurance for the secure processing of claims in accordance with the requirements established by the Director of Central Intelligence. In addition, the Director authorized direct payment of certain Staff Agent insurance claims internally by CIA.

Unpaid Compensation

1. During the reporting period the Branch processed 11 claims for unpaid compensation.

2. During this same period, the Branch assumed responsibility for the processing of claims for unpaid compensation as part of its responsibility in the general handling of disability and death cases. Inasmuch as representatives of the Branch were handling other claims aspects of emergency cases and contacting employees or the next-of-kin involved, this function was assumed as a corollary responsibility of the general aspects of such cases.

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SUMMARY OF COMPENSATION ACTIVITY
1 July 1954 - 30 June 1955

1. Compensation Activity

Total Cases..... 418

New Claims Pressed..... 107
261

Pending Cases From Previous Summary..... 40

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2. Nature of Claims Processed

Total Claims Processed..... 155

Medical Expenses.....	109
	6

Compensation.....	8
	40

Both..... 40

3. Ultimate Method of Processing

Total Claims Processed..... 155

BEC Cases..... 106

Internal Cases..... 49

5(a)(5)(C)..... 43
6

BEC Type.....

4. Action Taken on Claims

Total BEC Cases..... 106

Rejected.....4
28

Approved..... 28
63

Pending..... 63
11

Inactive or Withdrawn..... 11

Total Internal Cases..... 49

5(a)(5)(C)..... 43

Rejected.....	2
	25

Approved..... 25
16

Pending..... 16

Inactive.....

BEC Type..... 6

Rejected.....

Approved.....

Pending.....

Inactive.....

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Section II

Objectives for Current Year and Status of Current Programs 1 July 1955 - 30 June 1956

Casualty Program

1. The Casualty Affairs Branch plans to attain the fluidity and efficiency of a military casualty branch so that in cases involving the injury, illness, or death of Agency employees, and in certain cases their dependents, immediate and proper action can be taken to protect both the interests of the Agency and the employee. The extent of the assistance that can be offered by the Branch will often depend on the extent to which the Branch is advised of these cases as they occur. The effectiveness of the Branch will, therefore, depend to a large degree, on the publication of regulations on Compensation and Medical Claims, Employee Emergencies, and Missing Persons. Equally important is the need on the part of administrative officers concerned of a clear and complete understanding of the procedural and reporting requirements contained in those regulations so that immediate reports may be obtained by the Branch.

2. An objective of the Branch in general is the preparation of internal procedures to be utilized upon the publication of pertinent subject regulations. Moreover, the Branch will continually strive for a refinement of operating methods for the purpose of eliminating possible sources of weakness.

Compensation and Medical Claims

1. With the acquisition of additional Branch personnel, the primary objective for the current year is to effect a complete review of our present procedures for the purposes of discovering areas of weaknesses and sources of improvement. Every effort will be made to discover means by which to minimize any delay in our processing of claims. It is felt that these programs are currently operating in a satisfactory fashion, although it is believed that some refinements can be developed.

2. The Branch will continue to assist the Plans Staff in its preparation and coordination of Regulations [REDACTED]

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3. Moreover, in view of the decision by the Deputy Director (Support) that the 5(a)(5)(C) program be decentralized, the Branch hopes to devise a suitable procedure by which this may be effected and which will be utilized in addition to the procedures set forth in the proposed regulations.

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4. It is difficult to estimate the impact on the Branch's Activity that will result from decentralization of the 5(a)(5)(C) Program. We will continue to forecast that with the publication of [REDACTED] there will be a spectacular increase in the number of 5(a)(5)(C) claims which will be submitted. Since, even with decentralization, the Branch will be responsible for the review and audit of the decision in the field, the Branch will be as affected with the anticipated increase as though with centralization. Decentralization could result in a greater increase of activity since our consideration of the case will be considerably after the fact and could involve cases improperly approved.

5. The Branch will continue its policy of advertising the benefits of these claims programs to Agency employees and administrative officers. There will also be a continuance of the cable review, since this has proven an effective device by which to learn of Agency casualties and to facilitate the taking of appropriate action.

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6. In connection with the publication of Agency Regulation [REDACTED] other pertinent regulations such as that on Missing Persons and Employee Emergencies, the Branch continues to believe in the wisdom of a Division representative traveling overseas to the various field installations and fully explaining these various programs to responsible field officials. This trip would be even more desirable in view of the impending decentralization of the 5(a)(5)(C) program and would provide the representative with an opportunity to fully explain to senior field officials the criteria and requirements they must consider before approving 5(a)(5)(C) cases. It would also permit the representative to become more intimately aware of overseas field conditions and problems.

Retirement

1. Understandably, the consolidation of retirement activity has resulted in a significant increase in the time devoted to this subject by the Branch. As a result of the lecture series conducted by the former Employee Services Division, employees have begun to seriously consider their retirement situation and have increasingly consulted with Branch technicians. This trend is expected to continue.

2. The Branch will review existing procedures for the purpose of evaluating their effectiveness in light of the present consolidation of functions. Changes, as appropriate, will be effected.

3. One area of improvement has already been noted. Presently, applications submitted by employees with OSS service are generally delayed for a period of time because of the difficulty in obtaining

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records upon which an employment and salary certification may be based. Accordingly, the Branch plans to assemble all records concerning these employees and, as a long range project, will prepare a certification which can then be retained in the employee's personnel folder for use at such time as the employee may make application for retirement benefits. Although this will be time-consuming, the delays will occur before an employee submits an application rather than after he has done so. The benefit thus accruing to the employee will be maximized.

Federal Employees' Group Life Insurance

1. The Federal Employees' Group Life Insurance program has been in effect for almost a year. During the past six (6) months, the Branch was able to resolve the various problems which were created by the new program. Our current procedures for the implementation of the Branch's role in FEGLI cases appear to be satisfactory.

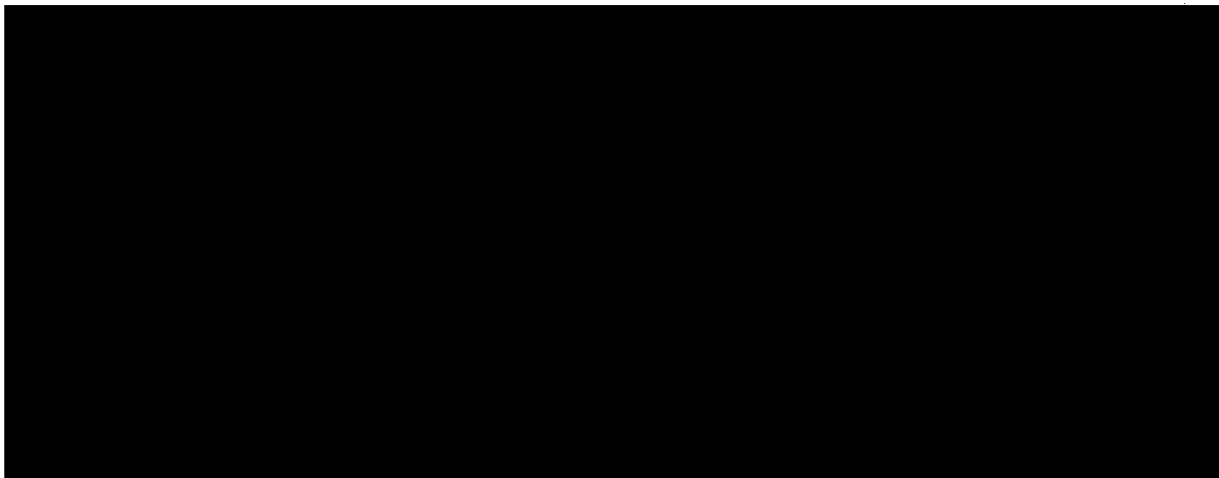
25X1C4b 2. Problems which continue to exist relate to the processing of [REDACTED] The seriousness of these cases precludes any standard procedure; rather, they must continue to be resolved on a case by case basis, in close coordination with the Security Office and the Central Cover Branch.

3. The Branch does not anticipate any unusual activity during the remainder of the current year.

Unpaid Compensation

1. The Branch plans no material change in the present program for the balance of this reporting period.

25X1A13e 2. Although present procedures appear to be satisfactory, a review will be made in the light of the present organization to determine their present suitability and effectiveness.



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Section III

Program Outlook for Budget Year 1957 1 July 1956 - 30 June 1957

Casualty Program

1. It is believed that by 1 July 1956 the Branch will have fully developed its internal procedures for handling casualty cases.
2. Barring unforeseen catastrophies, the coming period will be devoted almost exclusively to the handling of current casualty cases. General activity should be restricted to the development of additional procedures and devices as need for them arises.

Compensation and Medical Claims

1. The Branch plans no major change in its compensation and medical claims program. Any weaknesses which presently exist will be corrected during the remainder of Fiscal Year 1956 with the assistance of additional personnel.
2. As shown on the statistical summary of compensation activity, there was a significant increase in the number of cases processed with the BEC. This is clearly the result of the Branch's effort to obtain for employees the maximum coverage possible for injuries or illnesses incurred in the performance of duty. The Branch will continue its emphasis of this approach and hopes to educate all administrative officers of the urgent need for reporting these cases to the Branch. The Branch is of the opinion that the number of cases processed with BEC will continue to increase from year to year as employees learn of the sweeping benefits available to them under this program.
3. Fiscal Year 1957 should feel the impact of the Field's understanding of the 5(a)(5)(C) Program, an occurrence which should take place during the balance of Fiscal Year 1956. We expect, therefore, a considerable increase in 5(a)(5)(C) cases, which will require a good portion of the time of two claims technicians. In view of the decentralization of the 5(a)(5)(C) Program and the ease by which employees will be able to obtain the reimbursement of their medical expenses, the Branch will have the burden of ensuring that only proper claims have been approved; also, each case will have to be deliberately reviewed for the purpose of ascertaining whether the BEC implications of the situation have been overlooked or ignored.

Retirement

1. The Branch can foresee no major change of scope or emphasis in the retirement program during Budget Year 1957.

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2. By the end of the present Fiscal Year, the Branch hopes to have established in the minds of employees the need for a periodic review of their retirement situation. We expect the number of retirement interviews to continue to increase gradually as the availability of qualified technicians to assist employees becomes known throughout the Agency.

Unpaid Compensation

1. Since the number of claims filed for unpaid compensation is determined by the number of deaths in the Agency, it is difficult to estimate the extent of this activity to be experienced.

2. The Branch plans, however, no major change of scope or emphasis.

Federal Employees' Group Life Insurance

1. The Branch foresees no unusual change in its Federal Employees' Group Life Insurance program during Fiscal Year 1957.

2. As is generally the case with newly legislated statutory programs, the FEGLI program should be stabilized within a reasonable period of time, and no significant changes in our present program appears to be necessary. Unusual covert cases will continue to be processed on a case by case basis.

Missing In Action Cases

1. By the very nature of these cases, it is practically impossible to predict, in advance, the number of such cases that will be handled by the Branch in Fiscal Year 1957. Should the Agency experience a high incidence of such cases, the resources of the Branch will be greatly strained since each such case requires considerable effort and consumes many man-hours of time. Any unusual incidence of Missing In Action cases would necessarily require the addition of several technicians to the Branch.

2. By Fiscal Year 1957, the Branch is hopeful of having fully established its MIA procedures. We hope to be as effective in our handling of these cases as is the military. In this direction, the Branch plans to visit the Casualty Branches of the various military components for the purpose of examining closely their casualty plans and procedures.

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